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FISCAL IMPACT STATEMENT

LS 7311

BILL NUMBER: HB 1565

NOTE PREPARED: Jan 5, 2009

BILL AMENDED:

SUBJECT: Financial Literacy Curriculum and Fund.

FIRST AUTHOR: Rep. Bell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: The bill requires public schools (including charter schools) and accredited nonpublic schools to provide instruction in personal financial responsibility to students in Grades 9 through 12.

Effective Date: July 1, 2009.

Explanation of State Expenditures: *Department of Education-* Under the bill, the Department of Education (DOE) would be required to develop guidelines for personal financial responsibility instruction. The DOE may require a consultant to develop the guidelines. The bill does not provide an appropriation to cover any expense incurred by the DOE for the development of guidelines. A midrange educational consultant salary and benefits would be approximately \$75,200 per year. Indirect costs could be \$1,500 if a phone connection and a computer were needed.

Financial Literacy Program Fund- The DOE would be required to administer and maintain the Financial Literacy Program Fund (FLPF). Money in the FLPF would not revert to the General Fund at the close of a fiscal year. The bill does not make an appropriation to the FLPF, although the FLPF could receive gifts, General Assembly appropriations, and grants. The Treasurer of State is to invest the unused balance of the FLPF and deposit interest back into the FLPF.

Background Information- DOE- The DOE was appropriated \$5.6 M for FY 2009 for administrative functions. The DOE had administrative reversions of \$114,153 at the close of FY 2008. As of January 5, 2009, the DOE had 32 vacancies with total salary worth \$0.32 M.

Explanation of State Revenues:

Explanation of Local Expenditures: Under the bill, high schools would incur additional administrative time to modify curriculums to include study of personal financial responsibility.

Explanation of Local Revenues:

State Agencies Affected: DOE; State Board of Education; Treasurer of State.

Local Agencies Affected: High schools.

Information Sources: State Budget Agency: *FY 2008 Close-Out General Fund Reversion Summary*; Vacancy report, Jan 5, 2009.

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